

## Human Resource Management Philosophy for Promoting Organisational Performance

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**Abstract:** In this thesis human resources management in private sector should be discussed. In particular, the essence and importance, its international operation, management obligations, planning of human resources and management strategy should be considered. Furthermore, labor relations, their regulation and nature in Georgia as well as abroad will be fundamentally examined.

The main essence of the topic - is human resources, which reflects the wealth of any society and for the development it is possible to produce, improve and utilize the same resources, taking into consideration the interests of each individual.

Human views are based on his knowledge, qualifications and experience. This also refers to the management of human resources. Any decision regarding the personnel, which is taken by the management, is derived from the individual perception of human resources management.

As the experience has shown, in terms of global competition the success is achieved by the managers, who can better adjust to variable conditions. This, in turn, requires the existence of the loyal and qualified employees as well.

The human resource manager's profession is significantly different from traditional staff work. It is related to the integration and successful implementation of the organization's goals. The important stage of this process is assimilation of the idea of system approach, not only functional but also an organization as a system and Human Resource Management was formed based on new different models. People represent important resources of the organization, they determine the future strategy of the company, and the strategy itself is realized by people. The success of the chosen strategy by the organization depends not only on the decisions taken in the past but also for the effective implementation of these decisions by the people employed in the organization. That's why it is important for the company to have clearly defined employee function. Creating the value of the company is rapidly increasing the role of human resources and corporate culture as intangible assets. More specifically, these intangible assets are a decisive factor for the establishment of the value of the company.

The management, in general - is the process of rational and effective use of the resources which is achieved through planning, organizing, leading and control. Exactly this issues will be considered in depth and exhaustively, in order to highlight the major benefit of the issue in various capacities.

While working on the topic, I used scientific literature, based on the conclusions of the researchers, I tried to get the reasons that prevent the proper use of human resources and to find ways to solve the problems. Internet resources have also been provided, and in case of use it is indicated everywhere. Internet resources have also been used and in case of their use there is everywhere indicated appropriate source.

The thesis includes the content, abstract, introduction, the main part of the topic (which is divided into chapters and subchapters), research methodology and analysis, conclusion and the list of used literature.

**Keywords:** Philosophy, Human Resource.

## **INTRODUCTION**

The modern stage of the scientific-technical revolution has fundamentally changed the role of man in production. It became a decisive factor in the latter. Today's workers must possess strategic thinking skills. Have a broad erudition and high culture. According to this, there's a need for unwavering personnel development. This means taking certain measures to reveal the personal potential of the employees.

Such events can be individual as well as group and can be held at the workplace or outside the work environment. It should be focused on developing general and specific knowledge. It is very important to create conditions where all people will have an equal opportunity to receive general and professional knowledge and receive remuneration and promotion.<sup>1</sup>

Personnel development can be described as a 'systematic' and continuous process of employee development so that they make the most of their potential, which will be equally beneficial for them and the organization. If people are to be motivated in this regard, we must approach the whole process clearly and logically, usually by encouraging self-development, training personnel when needed, and finally evaluating employees to make sure they reach their full potential. Thoughts on why people work 'What can be done to make people work more efficiently?' This question has been the subject of debate since 'ancients' established the term in the mid-nineteenth century when the so-called 'developed' countries of northwestern Europe and the United States were massively conquered by industrialization.

## **HUMAN RESOURCES AND DEVELOPMENT**

Human resources are a group of people employed in an organization - people who work individually or in groups to achieve the strategic goals of the organization. However, the word 'unity' shouldn't be understood in the sense of a simple sum. Everyone comes to the organization with a certain 'baggage', which combines their knowledge, professional experience, personal qualities, individual goals, interests, aspirations, etc. Consequently, when we talk about human resources, we don't mean the simple number of individuals employed in the organization, but the 'baggage', the precious capital that each employee brings to the workplace.

Human resource is the most critical resource that significantly determines the effectiveness of any organization. It is not easy to coordinate and direct the efforts of many people to achieve a common goal. To achieve this goal effectively, a thorough knowledge of the basic principles of management and personnel management (human resource management) is essential.

### **The essence and importance of human resources**

The development of personnel management is quite closely related to the development of society, economy, production techniques, and technologies<sup>2</sup>. A person is considered not as a position (element of the organizational structure of management), but as a non-renewable resource - an element of social organization in unity with the three main components (labor functions, social relations, and employee status).<sup>3</sup>

People are an important resource, they determine the future strategy of the company, and the strategies themselves are implemented by people. The success or failure of the chosen strategy depends not only on the decisions made in the past but also on how these decisions are being implemented by the people currently working in the organization. That is why it is important for the company's activities who, how, and why to perform what is necessary for the implementation of this or that strategy. People participate in creating additional value in running a company, but they can also create big material losses to the company by making mistakes. The skills,

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<sup>1</sup> N. Paichadze, Human Resources Management (textbook), Tbilisi, 2018, p. 211

<sup>2</sup> I. Jimshitashvili, Tbilisi, 2014, p. 3

<sup>3</sup> B. Gechbaia, A. Devadze, Human Resources Management, Tbilisi, 2016, p. 9

knowledge, and experience of groups in the context of individuals and relationships, also knowledge of the relationship between them is an important stage in the development of company strategies. As it is known, the main task of management is to ensure maximum efficiency in the production of services and goods. It is impossible to accomplish this task without developing an optimal human resource planning and development strategy. To make the essence of human resource management more visible, imagine a new organization or a new department being formed. Immediately there will be lots of questions that need to be answered. For example:

- What are the general goals of the new organization or department?
- How should its structure be to achieve these goals?
- How many positions will we have for personnel and what will be the essence of these positions?
- What personal traits and skills are required to perform a job effectively?
- How many employees should we hire?
- What factors should we consider (personal, social, technical) for hiring personnel?
- How should their training be conducted and what criteria should we use to determine how well they have done the job?
- How should we plan the work, work environment to protect personnel from occupational stress and achieve the goals of the organization?

An optimal solution to these issues is unthinkable without a thorough knowledge of the basic principles of human resource management. The activities of a human resource manager include the following aspects:

### **Planning**

- Develop a human resource strategy
- Monitoring personnel levels
- Organization planning

### **Recruiting personnel**

- Hiring professional/technical personnel
- Hiring a supervisor
- personnel transfers, transfers

### **Training and development**

- Identify training needs
- Training organization
- Career planning and development

### **Work and salary**

- Performance appraisal
- compensation
- Help
- Improve productivity

The main goal of personnel management is to establish the conditions that determine the effectiveness of the activities of employees working in the organization. Strategically, this

direction envisages matching employee skills and motivations with job requirements and rewards (pay, promotion, recognition, etc.).<sup>4</sup>

### **Managements theory regarding the human role**

Human resources are an important part of the country's economic potential and plays a crucial role in economic development, in the use of scientific and technical achievements, and generally, in the life of the whole society. The efficient use of human resources has acquired special importance in the market economy. In the post-industrial world, the human factor has become a central thing regarding both as the individual company and the socio-economic development of the country.

Today, the personal (human) factor is a strategic resource that determines the future of the organization. Each employee possesses special skills, intellect, creativity, self-development skills. The combination of persons with individual characteristics creates human resources for the organization.

In modern society, the special approach regarding to the human resources is conditioned by the following, number of circumstances:

- The process of the implementation of new technologies has fundamentally changed the content of labor – ‘the machine works, people think’ – as it said.
- The competition has intensified not only at the level of organizations and individual countries, but also on a global scale, that led to an increase the requirements for the quality of the workforce;
- The activities analysis of the leading companies confirms that successful economic process is significantly determined by human resources;
- The educational and cultural level of the population was raised;
- The level of democratization regarding the socio-economic life of the society has increased.<sup>5</sup>

The importance of the personal (human) factor in the functioning of the organization, the management theory approach regarding the role of the man was changing. Due to the importance of the personal (human) factor in the functioning of the organization, the approach of management theory to the role of man changed.

The human resource management theory has been developing alongside other management schools, therefore, the original organization management and management of personnel (human resource management) did not differ from each other. However, the main problems of management science were related to human resource management. At the present stage, there are three classifications of human resource management: Classical theories, theories of human relations, and theories of human resources. Here we must consider the main postulates of these theories:

### **Summary**

Performance appraisal is a process by which an organization determines the contribution of each employee to its work. From this definition, it becomes clear how important this element of work management is for the success of the organization, for achieving further goals.

In order to maintain the vitality and health of the organization, it is necessary to systematically evaluate the employees, to reveal the gaps and weaknesses in their work in order to correct them further.

In addition to monitoring the labor productivity of employees, performance evaluation serves several other extremely important purposes. What are the obligations of the supervisor and what

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<sup>4</sup> R. Beridze, Human Resources Management, Tbilisi, 2009, p. 13

<sup>5</sup> 33. 19

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are the standards for their performance. Already understandable information sometimes turns out to be completely incomprehensible to employees, due to the professional stress which appears and work efficiency decreases significantly. Communication is also very significant within the framework of the evaluation process between employees, human resources management units. On the example of many countries, it was determined that communication is one of the biggest problems of modern organizations. With growth, it becomes much more difficult to maintain systematic and high-quality communication with all levels of the hierarchy. This is exacerbated in the case of public institutions, where bureaucracy creates an impenetrable wall between employees and management.

The organizations using the productivity-based configuration, performance oriented processes were used within each HR practice to maximize productivity but were not used to enhance integration between HR practices. As a result, each HR practice operated more or less as a stand-alone, intentionally focused practice that was used, in conjunction with specific targets, to monitor, control and sometimes punish particular aspects of employee behavior. The HR processes in productivity-oriented organizations were used to deepen the impact of HR practices rather than to extend their impact as was the case in the organizations with commitment-oriented HR philosophies. The use of these practices and processes produced employee behaviors that were in keeping with the HR philosophy, and its focus on high productivity and efficiency. While this approach resulted in low morale, frustration with a lack of training and career opportunities, low levels of job satisfaction, and the inability to use skills on the part of employees, it also resulted in high productivity because those who did not reach the required targets simply lost their jobs.

The important role that HR philosophy and HR processes play in the working of HR systems, the choices that firms have in the

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